

Testimony of Cheryl MacArthur
Executive Director, Montana Cooperative Development Center
Great Falls, Montana
Presented this 25th day of January, 2007

Mr. Chairman and members of the committee, for the record my name is Cheryl MacArthur, Executive Director of the Montana Cooperative Development Center. I would like to testify in support of HB331.

The Montana Cooperative Development Center – or MCDC- is the statewide resource for individuals and groups starting businesses utilizing the cooperative business model. We specialize in producer-owned agricultural cooperatives, but work with numerous projects that vary from community clothing stores to native art marketing cooperatives and bio diesel projects. The center is located in Great Falls; however we have a Technical Assistant Network of eight assistants located across the state in Ronan, Thompson Falls, Hamilton, Bozeman, Joliet, Colstrip, Glendive and Havre. The Center and its network of technical assistance providers offer assistance to farmers, ranchers and rural citizens through technical and financial support and educational and community development outreach geared to forming new cooperatives and creating jobs. We provide assistance in cooperative education, project planning, completing legal documents, identifying grant programs, feasibility analysis, marketing and business plan development, financial analysis, etc.

Since the inception of MCDC and the Network of partners in 2000 we have utilized the Montana State Legislature's support and appropriation investment of \$65,000 annually to compete nationally for federal dollars. We have been successful in obtaining \$225,000 to \$300,000 per year from the USDA - Rural Cooperative Development Grant program dependent upon federal budget factors and competitive funding requests from centers located outside of Montana. Every year competition increases. In 2005 there were 48 applications for funding, with 27 centers receiving awards and this year there were 53 applications submitted for funding, with 20 centers nationwide being funded. We have competed successfully for six years largely due to the strong support we receive from the state of Montana with the appropriation of state funds. Over the last six years, the State of Montana has invested \$390,000 in the Center, which has enabled the Center to leverage over \$3.4 million in federal dollars – an \$8.70 to \$1 match.

Since its formation, the Center has been successful in organizing 12 cooperatives with over 544 members, 27.5 full time employees, contributing over \$113 million dollars – in revenues, wages, and local spending - annually into the state economy providing economic sustainability to our rural communities. This equates to \$29 of economic activity for each state and federal dollar invested in the Center.

Successfully organized and operating cooperatives launched through MCDC's programs include:

- Great Northern Growers Cooperative, Central Montana Producers
- Got Socks Community Clothing Store, Colstrip
- Artitudes Art Gallery, Havre
- Montana Branded Beef Association, Statewide
- Montana Bio Industries Cooperative, Eastern Montana Producers
- Bitterroot Valley Food Cooperative, Ravalli County
- Flathead Native Agricultural Cooperative, Western Montana
- Amazing Grains Cooperative, Lewistown
- Flathead Cherry Growers Cooperative, Western Montana
- Western Montana Growers Cooperative
- Montana Natural Beef, LLC
- Montana Poultry Growers Cooperative

The Center has also provided assistance to approximately 150 individuals and groups that ultimately determined that the cooperative model was not the most effective organization structure for their project, or that their project was not feasible under the market and economic conditions at the time – also a valuable service to our state's fledgling businesses. Presently, we are involved with over 18 projects at differing stages all across Montana.

Without the state appropriation of \$65,000 per year or more, the Montana Cooperative Development Center will not continue to be eligible for the federal Rural Cooperative Development Grant program. Given the value the Center has returned to the State of Montana, I would respectfully request your consideration in passing HB331 and the continued state funding support for the Montana Cooperative Development Center and the other valuable programs described in this proposed legislation. Thank you, Representative Villa for carrying this piece of legislation.

Thank you Chairman and members of the committee.

Cheryl MacArthur
Executive Director

Montana Cooperative Development Center
Board of Directors Contact Sheet as of January 2007

CHS, Inc..... (Sponsoring Organization)	Rich Owen, President 1591 Hawarden Road Geraldine, MT 59446 737-4375 richard.owen@chsinc.com
Montana Association of Counties..... (Sponsoring Organization)	Art Kleinjan, Vice President P.O. Box 1175 Chinook, MT 59523 357-4127 akleinjan@ttc-cmc.net
Montana Economic Developers Assoc..... (Sponsoring Organization)	Paul Tuss, Secretary P.O. Box 170 Havre, MT 59501 265-9226 ptuss@bearpaw.org
Member at Large.....	Scott Morrison, Treasurer 1481 Cayuse Road Helena, MT 59602 443-6027 infobia@bresnan.net
Montana Farmers Union (Sponsoring Organization)	Diana Adamson 300 River Drive North Great Falls, MT 59401 452-6406 speara@northerntel.net
Montana Telecommunications Assoc..... (Sponsoring Organization)	Geoff Feiss 208 N Montana Helena, MT 59601 442-4316 gfeiss@telecomassn.org
Member at Large.....	Greg Jergeson P.O. Box 202601 Helena, MT 59620-2601 444-6166 gjergeson@mt.gov

Montana Electric Cooperative Association.. (Sponsoring Organization)	Merle Raph 305 6 th Avenue South Shelby, MT 59474 434-2536 toolca@3rivers.net
Women Involved in Farm Economy..... (Sponsoring Organization)	Mary Ann Murray Hc 69 Box 15 Jordan, MT 59337 557-2400 lige@midrivers.com
Montana Grain Growers Assoc..... (Sponsoring Organization)	Lola Raska P.O. Box 1165 Great Falls, MT 59403 761-4596 lraska@mgga.org
Montana Stockgrowers Assoc..... (Sponsoring Organization)	Steve Pilcher 4521 Paydirt Drive Helena, MT 59602 439-0026 pilcher@mt.net
Montana Council of Cooperatives (Sponsoring Organization)	Gary Gunderson 888 Gunderson Road Power, MT 59468 463-2272 gdgun@tetonwireless.net
Montana Farm Bureau Federation..... (Sponsoring Organization)	Greg Woods Box 807 Inverness, MT 59530 759-3240 gwoods@mtintouch.net